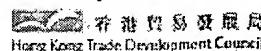


Exhibit D**Your Gateway to Global Business****TDC Bookshop**

Market News Express

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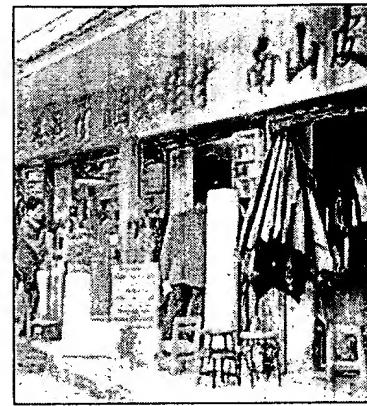


Guangzhou's "shoe street" redoubles production and profits

People in the shoe, bag and suitcase industry can find everything they need in Haoban Street and its surrounding areas. Haoban Street, Guangzhou, has a history going back 800 years - and it's still going strong, if not stronger, today than ever before.

The huge demand for shoe materials following the emergence of shoe, leather goods and handbag factories in the Pearl River Delta during the 1980s, fuelled the growth of a market for leather, hardware and shoe materials. So a specialized area developed from the already-established Haoban Street to Xiaoxin Street, Yudaihao and Daxin Road. Annual turnover has been ratcheted up to hundreds of millions of yuan.

The nature of the area's success is hardly surprising, because shops here supply materials to China's top 10 shoemakers, including Great Wall and Senda. Experts note that Haoban Street not only leads market trends in South China but is also the barometer for the entire national market's demand for shoes and materials.



Haoban Street: China's largest shoe materials distribution centre.



Most lasts for Chinese shoes come from Haoban Street.

The variety of merchandise sold in Haoban Street is becoming increasingly varied. As well as traditional cowhide, artificial leather and regenerated leather are also on offer. Accessories for leather goods, such as buckles, shoe decorations, shoe studs and decorative plates in gold, silver and bronze can all be found here. There are about 700 kinds of bonding agents, hide cutters, threads and other materials. The lasts sold here are exquisitely made and come in all styles and specifications.

Haoban Street's boom has attracted businessmen from Zhejiang, Fujian, Sichuan and other parts of Guangdong, while nurturing a new generation of "shoe tycoons". Ye Zhicheng, the "kingpin" of Haoban Street, came from a family that has been dealing in shoe materials for generations. His family now owns more than a dozen shoe shops, and five of these are under his own name.

Miss Liang, the "queen" of Haoban Street, has been assisting her father in his shoe materials business since the 1980s. She began by distributing soles and materials from Hong Kong. In fact she eventually helped to create a local market for ready-made soles in Haoban Street, and she is also the first to market foreign bonding agents here. Today, she has four stores on the street.

Liang Fugen is the newly-elected vice president of the Haoban Street Leather, Hardware and Shoe

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Materials Industries Association. His Yongfa Leather Shoe Materials Co grosses about US\$10 million a year in business with Hong Kong.

Different sizes of players make for a vibrant market

On the other hand, most of the players in Haoban Street are small operations with workshops at the back of the outlet. There are also those that started off as small workshops but eventually expanded into big business and even large modern companies.



Shoe upper materials, accessories and machinery on sale in Haoban Street.



Colourful upper materials from all over the world.

Li Guoqiang is a long-term resident in Haoban Street. He operated a shoe workshop in the early 1980s, at first carrying out everything by hand. Later he spent more than Rmb10,000 (HK\$943.3) and bought his first shoe-making machine. As business grew bigger, he set up Guoqiang Shoe Factory. Now his Xinlong Holdings Company has its own leather shop as well as shoe last and shoemaking factories.

By 1995, there had been over 800 shops in Haoban Street and its neighbouring area. The Haoban Street Leather, Hardware and Shoe Materials Festival, which was first held in 1999, now attracts thousands of businessmen from other parts of the Chinese mainland, as well as from Hong Kong and Macau each year.

Following WTO accession, the shoe materials market in China is expected to become more vibrant and competitive. Although Haoban Street is famous nationwide, the place has for years lacked planning because of its inner city location.

As a result of its haphazard development, the market finds itself in a defensive position compared with newer rivals. With this in mind, the government joined hands with the local business community and began improvement works in two stages during June 2001. The first phase is basically complete.

Fire-prevention and telecommunications facilities have been improved and the buildings have been given a facelift. In phase two of the project, roads are to be widened and leveled for better access. The 630-metre street will also be extended to over 1,300 metres.



Security guards on patrol.

The local business community has also set up a management office and formed a security team to patrol the area.

from special correspondents Guo Jun and Liang Weigu, Guangzhou

(Images courtesy of Liang Yong-qiang)

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